

As you are aware, the recent statutory amendments to the Casino Control Act, N.J.S.A. 5:12-1 *et seq.*, resulted in significant changes to the administration of most casino-related taxes and fees, as well as the casino industry's financial reporting requirements. In short, the responsibilities of the Casino Control Commission ("CCC") in these areas have been transferred to the Division of Gaming Enforcement ("DGE") and the New Jersey Division of Taxation ("Taxation"). This letter is intended to advise the industry regarding the responsibilities of each agency (DGE and Taxation) and what the industry should expect going forward.

#### Division of Taxation Responsibilities

In accordance with the statutory changes, Taxation is responsible for the administration and collection of the gross revenue tax, the casino hotel room fee, and the multi-casino progressive slot machine tax. It is our understanding that a letter will be issued by Taxation to the industry advising of the changes and the timeline for the orderly transition. Further, we are advised that Taxation will utilize the entire 90-day transition period provided in the statutory amendments, and thus, it intends to begin receiving monthly tax returns and annual tax returns effective May 1, 2011. Under that timeline, the first Monthly Gross Revenue Tax Return is due to be filed with Taxation on May 10, 2011. With regard to the weekly gross revenue tax deposits, however, it is our understanding that Taxation will begin accepting the tax deposit on Monday, April 4, 2011.

#### Division of Gaming Enforcement Responsibilities

Except for the three types of taxes and fees identified above, the DGE will be responsible for all of the financial reporting responsibilities of the industry. In this regard, the DGE has hired former employees of the CCC's Financial Division, who will be performing essentially the same functions at the outset. As you may have seen on the DGE's transition web site, effective March 22, 2011, the DGE formally transitioned the financial reporting responsibilities from the CCC to the DGE, including the posting of financial information to the DGE web site. The following summarizes the changes to the financial reporting area that have already occurred, or will occur in the near future:

1. ***Taxes Transferred to Taxation:*** As previously discussed, Taxation will now be responsible for the administration and collection of the gross revenue tax, the casino hotel room fee, and the multi-casino progressive slot machine tax. Accordingly, the tax returns associated with these taxes and fees are now Taxation forms and no longer subject to filing with the DGE or CCC (and will be deleted from the DGE Financial Reporting Manual). However, the industry will need to continue to file weekly and monthly gross revenue tax-related information with the Division as follows:
  - ***Weekly Gross Revenue Statistics:*** Contemporaneously with the weekly gross revenue tax deposit each Monday, a summary of the casino win and gross revenue upon which the tax is based shall be e-mailed to the DGE's Office of Financial

Investigation ("OFI") at [ofi@njdge.org](mailto:ofi@njdge.org). This information will be used for internal purposes and not be made publicly available or posted to the DGE web site.

- **Monthly Gross Revenue Statistics:** As previously discussed, we expect the licensees to begin filing a Monthly Tax Return with Taxation (on a form prescribed by that agency) beginning with the April return that is due on May 10, 2011. Thus, the Monthly Gross Revenue Tax Return that formerly was known as the CCC-101 will cease to be a "tax return." To fulfill the other statutory requirements associated with the statistics contained on that form, including the public dissemination of that information, that filing, however, will be renamed as the Monthly Gross Revenue Report and be converted to a DGE form (DGE-101). We do not expect that the information contained on the form will change materially from that currently filed. As in the past, this form will be due by 9:00 a.m. on the 10th of each month.
2. **Financial Reporting Manual:** The CCC's Financial Reporting Manual is in the midst of being converted to the DGE's Financial Reporting Manual. Initially, the conversion will consist of changing the prefix to the form numbers from CCC to DGE (for example, CCC-145 to DGE-145) and revising the instructions to reflect that these are now DGE-prescribed forms. In the upcoming months, DGE staff will undertake a formal review of all of the forms and we expect a revised DGE Financial Reporting Manual to be issued later this year.
  3. **Filing of Financial Information:** At present, all financial forms and reports are filed with the CCC, with a copy submitted to the DGE. Effective March 22, 2011, the process will be changed, with all forms and reports being filed with the DGE at [ofi@njdge.org](mailto:ofi@njdge.org).
  4. **DGE and CCC Web Sites:** Previously, all financial and statistical information that is considered "public information" was posted to the CCC web site. While all of the historical information will remain on the CCC's web site for the immediate future, effective March 22, 2011, all public filings will be posted to the DGE web site. In this regard, the DGE's financial web site pages are functional and the 2011 information to date is available at: <http://www.nj.gov/oag/ge/financialandstatisticalinfo.html>.

Please continue to check the DGE web site at <http://www.nj.gov/oag/ge/index.html> for additional information on the transition. If you have any questions regarding the transition of the financial reporting requirements from the CCC to the DGE, do not hesitate to contact Christopher Glaum of my staff at (609) 317-6217 or by e-mail at [christopher.glaum@njdge.org](mailto:christopher.glaum@njdge.org).

Thank you for your ongoing cooperation in these transition matters.